

GARY R. HERBERT Lieutenant Governor

State of Utah Department of Commerce

FRANCINE GIANI Executive Director THAD LEVAR Deputy Director

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MEDIA ALERT

<u>Commerce Department Reaches Settlement with Hoodiaforfree and UltraLife Fitness, Inc.</u>

"Hundreds of Consumers to Receive Refunds for Over-Billing" (For immediate release...)

SALT LAKE CITY, Utah – Francine Giani, Executive Director of the Utah Department of Commerce, announced today that consumers who were charged for products they didn't authorize will receive refunds from Hoodiaforfree and UltraLife Fitness, Inc. thanks to a settlement agreement.

"Customers who requested the advertised free sample thought they were only paying shipping charges, "said Giani, "This company billed consumers for products they didn't order and buried the terms of sale on their website."

An investigation into Utah companies, Hoodiaforfree and UltraLife Fitness, Inc., was launched after the Division of Consumer Protection received 60 complaints. The Better Business Bureau also referred over 1000 complaints for both companies to the Division of Consumer Protection. Consumers alleged that once they provided their credit or debit card numbers for a free sample, both companies charged their cards for additional products without their authorization. Terms and conditions detailing the additional charges were hidden on other pages on both Companies' websites. Under terms of the settlement, Hoodiaforfree and UltraLife Fitness, Inc. agree to refund all customers for unauthorized charges.

It is a violation of the Utah Consumer Sales Practices Act Rules, R152-11-4B for a business to make a ...a "free" or similar offer unless all the terms, conditions, and obligations upon which receipt and retention of the "free" item are contingent are set forth clearly and conspicuously at the outset of the offer so as to leave no reasonable probability that the terms of the offer might be misunderstood.

It is also a violation of the Utah Consumer Sales Practices Act, 13-11-4(2)(r) for a business to ...charge a consumer for a consumer transaction that has not previously been agreed to by the consumer.

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